

SECRETARY OF STATE[721]**Adopted and Filed**

Pursuant to the authority of Iowa Code sections 17A.3 and 17A.4 and 2017 Iowa Acts, Senate File 516, section 23, the Secretary of State hereby amends Chapter 2, “Rules of Practice,” Chapter 30, “Uniform Commercial Code,” and Chapter 40, “Corporations,” Iowa Administrative Code.

These amendments are necessary because the General Assembly has enacted 2017 Iowa Acts, Senate File 516. The Secretary of State has determined that as a result of this newly enacted law, the following amendments are necessary to fund the Technology Modernization Fund within the Secretary of State’s office.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 3320C** on September 27, 2017. The Secretary received a number of public comments on the amendments. The comments were primarily focused on the reasoning, expenditure, and accounting of the fees. The Secretary sent an email to everyone who submitted a comment to address these concerns, and the amendments were adopted at the urging of members of the Administrative Rules Review Committee and business groups that help to ensure the accountability of the funds.

As a result of those public comments from business owners and others, the Secretary added language to the applicable subrules to clarify that upon the expiration of the Technology Modernization Fund in Iowa Code section 9.4A, as created by 2017 Iowa Acts, Senate File 516, section 23, the fees will revert back to the amounts authorized prior to July 1, 2017. Funds generated by the fees shall be exclusively used for improving business services technology.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement 2017 Iowa Acts, Senate File 516, section 23.

These amendments will become effective December 31, 2017.

The following amendments are adopted.

ITEM 1. Amend rule 721—2.3(631) as follows:

721—2.3(631) Payment for services. The secretary of state may approve accounts to be used for the payment of services provided by the secretary of state. A user of a service provided by the secretary of state may make payment for the service by authorizing a charge to be made upon an account held by the user.

2.3(1) The secretary of state may prescribe and furnish forms for the purpose of authorizing a charge to be made upon an account. The secretary of state may refuse to charge an account for service requested without the appropriate form.

2.3(2) Application for account. Application for an account shall be made upon a form prescribed and furnished by the secretary of state. The account holder is subject to the terms and conditions contained in the application. The secretary of state reserves the right to adopt changes to the terms and conditions of the account. The secretary of state reserves the right to close a delinquent account.

2.3(3) Account holders will receive a monthly statement of account. The statement will include, for each transaction, the date and amount of the transaction. A transaction may include more than one filing fee.

2.3(4) Payment in full is due within 15 days of the date of the statement of account. An account is considered delinquent after the expiration of 30 days from the date of the statement of account. Interest and finance charges may be assessed on delinquent accounts in accordance with Iowa Code chapter 535.

2.3(5) An annual fee of \$25 \$100 shall be paid by an account holder for the privilege of maintaining an account. The annual fee shall cover a 12-month period measured from the first day of the month in which the account is approved by the secretary of state. An account that is not delinquent one month prior to the expiration of the annual period shall be renewed upon the payment of the annual fee. The secretary of state shall charge the annual fee to the account on the statement of the account for the monthly period

prior to the expiration date. The annual fee shall be used for the purpose of offsetting the expenses incurred by the secretary of state in maintaining the account.

2.3(6) Accounts maintained by the secretary of state prior to July 1, 1989, shall be terminated at the close of business on June 30, 1989, unless the holder of the account complies with subrule 2.3(5) and authorizes the secretary of state to continue the account by filing a renewal application on a form prescribed and furnished by the secretary of state.

2.3(7) The secretary of state shall assess a fee of \$10 for the receipt of a document filed under Iowa Code section 631.4(1)“d.”

ITEM 2. Amend **721—Chapter 2**, implementation sentence, as follows:

These rules are intended to implement Iowa Code chapters 17A, 490, 491, ~~496A~~, 497, 498, 499, 504, ~~504A~~, and 554 (Article 9) and 2017 Iowa Acts, Senate File 516, section 23.

ITEM 3. Amend subrule 30.1(10) as follows:

30.1(10) Filing fees.

a. Filing fee. The fee for filing and indexing a UCC document of one or two pages communicated on paper or in a paper-based format (including faxes) is ~~\$40~~ \$20. If there are additional pages, the fee is ~~\$20~~ \$40. But the fee for filing and indexing a UCC document communicated by a medium authorized by these rules which is other than on paper or in a paper-based format shall be ~~\$5~~ \$10. Upon the expiration of the technology modernization fund in Iowa Code section 9.4A, as created by 2017 Iowa Acts, Senate File 516, section 23, the fees will revert back to the amounts authorized prior to July 1, 2017. Funds generated by these fees shall be exclusively used for improving business services technology.

b. UCC search fee. The fee for a UCC search request communicated verbally, on paper or in a paper-based format is \$5.

c. UCC search—copies. The fee for paper copies of UCC documents is \$1 per page.

ITEM 4. Amend **721—Chapter 30**, implementation sentence, as follows:

These rules are intended to implement ~~2000 Iowa Acts, chapter 1149, and~~ Iowa Code chapters 17A and 554 and 2017 Iowa Acts, Senate File 516, section 23.

ITEM 5. Amend rule 721—40.8(488,489,490) as follows:

721—40.8(488,489,490) Biennial reports. The secretary of state shall collect the following fees at the time the documents described in this rule are delivered to the secretary for filing.

40.8(1) A limited partnership or foreign limited partnership authorized to transact business in this state shall deliver to the secretary of state for filing a biennial report that meets the requirements of Iowa Code section 488.210.

a. The fee for filing and indexing a biennial report filed on paper or in a paper-based format is ~~\$45~~ \$60. This fee may be provided in the form of cash, personal check, cashier’s check, or money order or by secretary of state charge account. Upon the expiration of the technology modernization fund in Iowa Code section 9.4A, as created by 2017 Iowa Acts, Senate File 516, section 23, the fee will revert back to the amount authorized prior to July 1, 2017. Funds generated by this fee shall be exclusively used for improving business services technology.

b. The fee for an electronic filing through the secretary of state Internet Web site is ~~\$30~~ \$45. This fee must be paid by check, credit card, or secretary of state charge account. Upon the expiration of the technology modernization fund in Iowa Code section 9.4A, as created by 2017 Iowa Acts, Senate File 516, section 23, the fee will revert back to the amount authorized prior to July 1, 2017. Funds generated by this fee shall be exclusively used for improving business services technology.

40.8(2) A limited liability company or a foreign limited liability company authorized to transact business in this state shall deliver to the secretary of state for filing a biennial report that meets the requirements of Iowa Code section 489.209.

a. The fee for filing and indexing a biennial report filed on paper or in a paper-based format is ~~\$45~~ \$60. This fee may be provided in the form of cash, personal check, cashier’s check, or money order or by secretary of state charge account. Upon the expiration of the technology modernization fund in Iowa Code section 9.4A, as created by 2017 Iowa Acts, Senate File 516, section 23, the fee will revert back

to the amount authorized prior to July 1, 2017. Funds generated by this fee shall be exclusively used for improving business services technology.

b. The fee for an electronic filing through the secretary of state Internet Web site is ~~\$30~~ \$45. This fee must be paid by check, credit card, or secretary of state charge account. Upon the expiration of the technology modernization fund in Iowa Code section 9.4A, as created by 2017 Iowa Acts, Senate File 516, section 23, the fee will revert back to the amount authorized prior to July 1, 2017. Funds generated by this fee shall be exclusively used for improving business services technology.

40.8(3) Each domestic corporation, and each foreign corporation authorized to transact business in this state, shall deliver to the secretary of state for filing a biennial report that meets the requirements of Iowa Code section 490.1622.

a. The fee for filing and indexing a biennial report filed on paper or in a paper-based format is ~~\$45~~ \$60. This fee may be provided in the form of cash, personal check, cashier's check, or money order or by a secretary of state charge account. Upon the expiration of the technology modernization fund in Iowa Code section 9.4A, as created by 2017 Iowa Acts, Senate File 516, section 23, the fee will revert back to the amount authorized prior to July 1, 2017. Funds generated by this fee shall be exclusively used for improving business services technology.

b. The fee for an electronic filing through the secretary of state Internet Web site is ~~\$30~~ \$45. This fee must be paid by check, credit card, or secretary of state charge account. Upon the expiration of the technology modernization fund in Iowa Code section 9.4A, as created by 2017 Iowa Acts, Senate File 516, section 23, the fee will revert back to the amount authorized prior to July 1, 2017. Funds generated by this fee shall be exclusively used for improving business services technology.

ITEM 6. Amend **721—Chapter 40**, implementation sentence, as follows:

These rules are intended to implement Iowa Code chapters 490, 491, ~~496A~~, 499, ~~504A~~ 504, and 548 and 2017 Iowa Acts, Senate File 516, section 23.

[Filed 11/1/17, effective 12/31/17]

[Published 11/22/17]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 11/22/17.